

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
(Alexandria Division)**

Counsel to AirOcare, Inc.

**COUNTERCLAIM
COUNT ONE
DECLARATORY JUDGMENT FOR BACK PAY AND OTHER BENEFITS
(Against AirOcare, Inc.)**

1. Plaintiff denies the allegations in Paragraph 1 of the Counterclaim.
2. Paragraph 2 of the Counterclaim contains legal conclusions as to which no answer is required, but to the extent Paragraph 2 contains factual allegations, such allegations are denied.
3. Paragraph 3 of the Counterclaim contains only a request for relief to which no answer is required, but to the extent Paragraph 3 contains factual allegations, such allegations are denied and Plaintiff denies that the Defendant is entitled to any relief sought in this action.
4. The Counterclaim does not contain a paragraph 4 and, accordingly, Plaintiff need not admit or deny any allegations of fact.
5. Paragraph 5 of the Counterclaim contains only a request for relief to which no answer is required, but to the extent Paragraph 5 contains factual allegations, such allegations are denied and Plaintiff denies that the Defendant is entitled to any relief sought in this action.
6. Except to the extent that factual allegations are expressly admitted in the preceding paragraphs of this Answer, they are denied.

AFFIRMATIVE DEFENSES

Plaintiff, as and for its affirmative defenses to the allegations contained in the Counterclaim, states as follows

1. Defendant's Counterclaim fails to state a claim upon which relief may be granted.
2. Defendant's Counterclaim is barred by the doctrine of unclean hands.

3. Defendant's Counterclaim is barred by the doctrine of unjust enrichment.
4. The relief sought in the Counterclaim is subject to setoff and/or recoupment.
5. Defendant's Counterclaim is barred by the doctrine of failure of consideration.
6. Defendant's Counterclaim is barred by the doctrines of waiver and estoppel.

OPPOSITION TO DEMAND FOR JURY TRIAL

1. Defendant has waived all rights to a jury trial by asserting a counterclaim in this adversary proceeding and Plaintiff reserves all rights to file a motion to strike the request for jury trial at the appropriate time.

WHEREFORE, Plaintiff seeks the entry of an order or judgment dismissing the Counterclaim with prejudice, denying the demand for jury trial, and awarding Plaintiff its expenses in defending this action, including its attorneys' fees, and granting Plaintiff such other and further relief which the Court deems just and proper.

Dated: February 14, 2011

/s/ Lawrence A. Katz
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Answer and Affirmative Defenses of Plaintiff AirOcare, Inc. to the Counterclaim Filed by Terrance O. Woodbridge and Opposition to Jury Trial was served on February 14, 2011, by United States first class mail, postage prepaid, on the persons named below:

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